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7 **UNITED STATES BANKRUPTCY COURT**

8 **DISTRICT OF NEVADA**

9 In re:

10 SCHULTE PROPERTIES LLC,
11

12 Debtor.
13

Bankruptcy Case No. 18-12734-MKN
Chapter 11

Date: April 28, 2021
Time: 9:30 a.m.

14
15 **SUPPLEMENTAL DECLARATION OF MATTHEW L. JOHNSON IN SUPPORT OF**
16 **APPLICATION FOR EMPLOYMENT FOR MATTHEW CARLYON AS SPECIAL**
17 **COUNSEL**

18 MATTHEW L. JOHNSON, states under penalty of perjury as follows:

19 1. I am over 18 years of age and I have personal knowledge of all facts contained within
20 this Declaration, except where made on information and belief.

21 2. I am an attorney and counselor at law, admitted to practice in the courts of the States
22 of Nevada, Utah, Arizona, Colorado, and in the above-captioned Court. This case was filed on May
23 10, 2018.

24 3. I make this Supplemental Declaration in support of the application to employ special
25 litigation counsel and in support of the proposed arrangement for compensation.

26 4. The Debtor is attempting to retain Mr. Carlyon on a flat-fee basis for \$60,000.00 to
prepare and argue claim objections for the Debtor.

1 5. It is anticipated that there will be approximately thirty (30) claim objections in this
2 matter, each of which will require the special litigation counsel, Matthew Carlyon, to extensively
3 track the accounting of the individual loans from the date of the conformation order, March 8, 2011
4 forward. Many of the loans have been transferred on multiple occasions.

5 6. Additionally, it is expected that each claim objection will require significant work to
6 adequately respond to as the loans span over a ten (10) year time period and many have been
7 transferred by the original loan servicer, requiring additional work to track the full accounting of each
8 loan.

9 7. By way of example, in the Citibank matter, brought in the individual case of Melani
10 Schulte, it took her retained counsel, Christopher Burke, over two (2) weeks of work to prepare just
11 one motion.

12 8. Further, Karen Kellet, former special counsel of the debtor, billed over \$60,000.00 in
13 work during her first month on this matter. The debtor was unable to afford those services, and
14 therefore she is no longer assisting the Debtor.

15 9. The substantial amount of work required in this matter, if billed by the hour, would
16 likely produce an exorbitant bill for the debtor. The proposed flat-fee retainer of \$60,000.00 to
17 employ the special litigation counsel is immensely beneficial to the debtor, as there is a known
18 amount to be charged, which the Debtor believes will be significantly less than if billed hourly.

19 10. Johnson & Gubler, P.C. will take measure to not duplicate the work being performed
20 by Mr. Carlyon.

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DATED: April 16th, 2021.

/s/ Matthew L. Johnson
MATTHEW L. JOHNSON

CERTIFICATE OF SERVICE

1. I caused the following document(s) to be served:

**SUPPLEMENTAL DECLARATION OF MATTHEW L. JOHNSON IN SUPPORT OF
APPLICATION FOR EMPLOYMENT FOR MATTHEW CARLYON AS SPECIAL
COUNSEL**

2. I served the above-named document(s) by the following means to the persons listed below:

☒ a. **ECF System:**

Under Administrative Order 02-1 (Rev. 8-31-04) of the United States Bankruptcy Court for the District of Nevada, the above-referenced document was electronically filed on the date hereof and served through the Notice of Electronic Filing automatically generated by that Court's facilities.

☐ b. **United States mail, postage fully prepaid, on _____:**

By depositing a copy of the above-referenced document for mailing in the United States Mail, first class postage prepaid, at Las Vegas, Nevada, to the following parties, at their last known mailing addresses, on the date above written:

See attached list.

I declare under penalty of perjury that the foregoing is true and correct.

Signed on: April 16, 2021

Shae Bode
Name of Declarant

/s/ Shae Bode
Signature of Declarant